

# Operators of Swap Meets, Flea Markets & Special Events

If you operate a swap meet, flea market, or special event in California, state law requires you to document, in writing, the seller's permit status of all people who sell at your event. You should not rent space to sellers unless they give you the written documentation described in this fact sheet.

## What is a swap meet, flea market, or special event?

In this context, a *swap meet, flea market, or special event* is any event where

- Two or more people or businesses offer merchandise for sale or exchange, *and*
- Prospective sellers are charged a fee for space rental *or* prospective buyers are charged an admission fee.

## You must obtain specific written documentation from sellers

Information requirements depend on seller's status

**Vendors who must hold seller's permits.** People who sell new or used merchandise in California, including handcrafts, are generally required to hold a seller's permit. Vendors who are required to hold permits must give you, in writing, their name and seller's permit number (a typical permit number begins with the letters SR followed by two or three more letters and an eight- or nine-digit number, for example: SR-KHE-12-345678 or SR-AR-100-987654). Although it is not required, you may wish to obtain a copy of each vendor's seller's permit for your files.

**Sellers who are not required to hold seller's permits.** Certain sellers at your event may *not* be required to hold seller's permits. Those sellers must

- Provide you, in writing, their name, address, telephone number, and driver's license number (or state ID number), along with the name of the issuing state; and
- State, in writing, that they do not need a seller's permit because (1) they are *an occasional seller*, (2) all of their retail sales are tax exempt, or (3) because they sell only items purchased from *section 6015 retailers*. Sellers who fall under conditions (2) or (3) must describe the items they sell and state that they do not have to pay tax on those sales.

**Occasional sellers.** Due to the number, scope, and character of their selling activities, some vendors are not considered to be *in the business* of selling merchandise and are not required to hold a seller's permit. For example, a person who occasionally clears the family garage of used items and sells *only* those items could qualify as an occasional seller.

**Vendors who make only exempt sales.** Some sellers are not required to hold a seller's permit because all of their sales are exempt from sales and use tax.

## Sales and Use TAX FACTS

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For additional information you may wish to order our *Swap Meets, Flea Markets, or Special Events* Certification form

(BOE-410-D) or talk to a Board of Equalization representative. For

assistance, please call our Information Center at 800-400-7115

(For the hearing-impaired:

— from TDD phone:  
800-735-2929;

— from voice phone:  
800-735-2922)

Many field offices also have swap meet coordinators who can help you with event requirements (see *Equalization, Board of*, in the government pages of your telephone book).

Internet: [www.boe.ca.gov](http://www.boe.ca.gov)

## BOARD OF EQUALIZATION MEMBERS

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State Controller

For example, vendors who sell only fresh produce or other cold food products “to go” do not need seller’s permits. However, cold food vendors do need a seller’s permit if they sell food to be consumed in places where admission is charged, sell carbonated or alcoholic beverages, or provide tables, chairs, counters, or other dining facilities for their customers.

**Vendors who sell products purchased from section 6015 retailers (multilevel marketing retailers).** Some sellers are not required to hold a seller’s permit because they sell only products purchased from dealers we have approved as section 6015 retailers. For example, people who sell new Avon or Tupperware usually buy those items from section 6015 retailers (see “Section 6015 Retailer” information on form BOE-410-D, discussed below).

If vendors at your event are not sure whether they need a seller’s permit or whether their sales are taxable, they should contact our Information Center for help.

#### Form available for your use

For your convenience, we can provide a form you can use for individual seller documentation: *Swap Meets, Flea Markets, or Special Events Certification* (BOE-410-D). The form is available from our offices, Information Center, and website. If you choose not to use the form, please be sure that you still obtain all of the required seller information, in writing.

#### Maintaining adequate records

You must retain copies of seller verification documents for at least four years.

#### Our representatives visit both weekday and weekend events to verify compliance

Our representatives periodically visit selling events to verify that operators have complied with the legal requirements described in this fact sheet. The representatives may also check to see that vendors making taxable sales are displaying their seller’s permits as required by law.

#### We may require you to provide seller information

We may ask you to provide lists of all sellers who conduct activities on premises you own or control. You must supply the lists or copies of individual seller verification documents within 30 days of our written request. We will check the information you provide and let you know if any of the vendors at your event incorrectly represented their seller’s permit status. You should not rent space to those vendors until we notify you that they hold a valid seller’s permit.

#### Seller’s permit verification services available

To verify whether a vendor has a valid seller’s permit, you can use our website or call 888-225-5263. You’ll need the permit number, business name, business address, and business owner’s name.

#### Additional form helps cities and counties receive tax for needed services

We may ask you to provide copies of another form to registered sellers whose businesses are registered outside the city where you are holding your event. The form is called *Local Tax Allocation for Temporary Sales Locations and Certain Auctioneers* (BOE-530-B). While you are not required to distribute the forms, doing so helps ensure that the city or county where your event is held receives the local sales tax it is due.

#### Lack of compliance may result in penalties

If you do not comply with the state law summarized in this publication (Revenue and Taxation Code section 6073), you may be required to pay a penalty of up to \$1,000 for each offense.

*Note: The statements in this fact sheet are general and are current as of May 2003. The sales and use tax law and regulations are complex and subject to change. If there is a conflict between this publication and the law or regulations, decisions will be based on the law and regulations.*